

Subpart 3535—Competitive Leasing

§ 3535.1 Lands subject only to competitive leasing.

(a) Lands available for leasing where prospecting or exploratory work is unnecessary to determine the existence or workability of a valuable deposit of potassium or any potassium compound may be leased only through competitive sale to the qualified bidder who offers the highest acceptable bonus bid, except as provided in parts 3508 and 3536 of this title. A competitive lease sale may be initiated either through an expression of interest or on Bureau motion.

(b) Leases may be offered for lands in or adjacent to Searles Lake, California, without regard to the quantity or quality of the potassium deposit that may be present therein.

§ 3535.2 Surface management agency.

Prior to competitive lease offering, the surface management agency shall be consulted in accordance with § 3500.9 and part 3580 of this title, as applicable.

§ 3535.3 Sale procedures.

§ 3535.3–1 Publication and posting of notice.

Prior to a lease offering, the authorized officer shall publish a notice of lease sale for at least 3 consecutive weeks in a newspaper of general circulation in the area in which the lands are situated. The notice of lease sale also shall be posted for 30 days in the public room of the proper BLM office.

§ 3535.3–2 Contents of notice.

The lease sale notice shall include:

- (a) The time and place of sale;
- (b) The bidding method;
- (c) A description of the tract being offered;
- (d) A description of the deposit of potassium or any potassium compound being offered;
- (e) The minimum bid to be considered; and
- (f) Information on where a detailed statement of the terms and conditions of the lease sale and of the proposed lease may be obtained.

§ 3535.3–3 Detailed statement.

The authorized officer shall also prepare and make available a detailed statement of sale containing:

(a) The lease form approved by the Director with terms and conditions, including the rental, royalty rates, bond amount and special stipulations;

(b) An explanation of the manner in which bids may be submitted;

(c) A notice that each bid shall be accompanied by the bidder's qualifications (See subpart 3502) and one-fifth of the amount bid;

(d) A notice that the successful bidder(s) shall be required, prior to lease issuance, to pay their proportionate share of the total cost of the publication of the sale notice;

(e) A warning to all bidders concerning 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders;

(f) A statement that the Secretary reserves the right to reject any and all bids, and the right to offer the lease to the next qualified bidder if the successful bidder fails to obtain the lease for any reason; and

(g) Any other information deemed appropriate.

§ 3535.4 Bid opening.

All bids shall be opened and announced at the time and date specified in the notice of lease sale, but no bids shall be accepted or rejected at that time. Bids received after the time specified in the notice of sale shall not be considered. A bid may be withdrawn or modified prior to the time specified in the notice of sale.

§ 3535.5 Award of lease.

After the authorized officer has determined that the highest qualified bid meets or exceeds fair market value, copies of the lease on the form attached to the detailed statement shall be sent to the successful bidder who shall, within a specified time, sign and return the lease form, pay the balance of the bonus bid, pay the first year's rental, pay the publication costs and furnish the required lease bond.